

## Summary of Dearborn County 2010 Annual Adjustment Methodology

### Method

The sales comparison method was used to adjust the assessments in Dearborn County for 2010. The assessments were derived using the Real Property Assessment Guidelines for 2002-Version A. The sales used for the 2010 annual adjustments were from 2009 and the first two months of 2010. 2008 and 2007 sales were added when there were an insufficient number of sales in a particular property class. The land base rates and neighborhood factors were examined in each neighborhood and property class. Neighborhoods with an insufficient number of sales were compared to similar neighborhoods. The criteria for comparison were geographic location, similarity of land size and improvement type and age, and any other factors deemed relevant. The neighborhoods with an insufficient number of sales were then adjusted in a similar manner to those with sufficient sales to which they had been compared. Comparisons were also made between adjoining neighborhoods and townships to insure the continuity of land base rates and neighborhood factors.

### Industrial Properties

Three improved industrial sales occurred in Washington Township in 2009. Examination of those sales indicated that there was sufficient evidence to adjust the neighborhood factors for industrial properties down throughout Dearborn County. No valid improved industrial property sales had been recorded since 2007. The PRD for improved industrial properties in Dearborn County is outside the boundaries of statistical tolerance. As a result, the Spearman Rank test was performed and indicated that the assessments of improved industrial properties in Dearborn County are acceptable.

### Commercial Properties

2007 and 2008 sales were included for vacant commercial properties because there was only one valid vacant commercial sale in 2009 and the first two months of 2010. There were no sales of vacant commercial properties in Center Township even with the addition of 2007 and 2008 sales. 2008 sales were included for improved commercial properties. There were still an insufficient number of sales of improved commercial properties in Clay, Kelso, Miller, and Sparta Townships even with the addition of 2008 sales. Data was combined from all commercial property sales to evaluate those areas where there were insufficient sales. No time adjustments to the sale prices were deemed necessary. The PRD's for improved commercial properties in Harrison and Lawrenceburg Townships are outside the boundaries of statistical tolerance. As a result, the Spearman Rank test was performed and indicated that the assessments of the Harrison and Lawrenceburg Township improved commercial properties are acceptable.

The front foot rate for commercial land in the town of West Harrison needed to be adjusted upward. Enough sales information had finally accumulated since 2004 to justify the adjustment. Some errors were discovered in the CAMA database resulting in

corrections to some of the base rates for commercial and industrial acreage tracts in Harrison Township.

### Residential Properties

2008 sales were included for vacant residential properties. There were still an insufficient number of sales of vacant residential properties in Clay and Hogan Townships even with the addition of 2008 sales. Data was combined from all vacant residential properties to evaluate those areas with insufficient sales. No time adjustments to the sale prices were deemed necessary. Sales for 2009 and the first two months of 2010 indicated little change to vacant residential values but a decrease in improved residential values. Data from York Township indicated that no adjustment was necessary to improved residential properties but similar adjustments were made to York Township that were made to surrounding townships to maintain valuation consistency. The statistical anomaly of York Township was attributed to the small sample size.